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COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS

"To Enrich Lives Through Effective and Caring Service"



Joseph M. Nicchitta
Director

Joel Ayala
Chief Deputy

Rafael Carbajal
Chief Deputy

Hearing Officer/Department of Consumer & Business Affairs

Hearing Date
06/10/2019
Agenda Item No.
2

Transmittal Checklist

Petitioner Name: Marco Barrera
Case Number: RSQ19-01132
Case(s): IRSO Petition for Noncompliance
DCBA Staff: Shannon Louis

- ☒ Petition Summary
- ☐ Parcel Profile Report (separate attachment)
- ☒ Staff Report
- ☒ Draft Findings
- ☒ Burden of Proof Statement(s)
- ☒ Notice of Increase

Reviewed By: Dana Pratt



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Case Number
RSQ19-01132

Hearing Date
6/10/2019

PETITION SUMMARY

PETITIONER NAME

Marco Barrera

PETITION DATE

January 31, 2019

PETITION OVERVIEW

Petitioner has filed a Petition for Noncompliance, requesting a reduction in rent in accordance with the Interim Rent Stabilization Ordinance, Ordinance Number 2018-0045. The Petitioners' rent increase became effective on February 1, 2019.

PROPERTY ADDRESS

7622 Maie Avenue Los Angeles, California 90001

KEY ISSUES

- Initial Notice of Increase proposes rent increase from \$1,200.00 from \$1,750.00 or by 45.83%
- Rent actually increased from \$1,200 to \$1,300.00 (8.33%) beginning February 1, 2019
- Rental Agreement went into effect on December 15, 2018 and terminated on January 14, 2019
- Per effective date of the reported rent increase, the February, March, April, May and June 2019 rent payments will be due by the hearing date

STAFF RECOMMENDATION

Approval

DCBA STAFF:

Shannon Louis 213-974-4118 SLouis@dcba.lacounty.gov



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May 31, 2019

TO: Gina Natoli, AICP
Hearing Officer

FROM: Shannon Louis

Case No. RSQ19-01132
Marco Barrera vs. Melinda Zohrabian
Hearing Officer Meeting: April 29, 2019 – Agenda Item: 2

Petition Description

Interim Rent Stabilization Ordinance(IRSO) Petition for Noncompliance

Tenant is disputing a rent increase issued for the covered rental unit located at 7622 Maie Avenue Los Angeles, California 90001 in the unincorporated area of Florence in Los Angeles County.

The Petitioner submitted a rental agreement effective December 15, 2018, establishing rent at \$1,750 – with a termination date of January 14, 2019. The Petitioner reports that the base rent was \$1,200.00 on September 11, 2018 – which constitutes a \$550.00 rent increase. The petition was filed with the Department of Consumer & Business Affairs (DCBA) on January 31, 2019. The Petitioner reports paying \$1,300.00 for the months of February, March, and April 2019. The Petitioner and Respondent also report that the rent increase in the amount \$1,750.00 has been retracted and that the tenant is now responsible for \$1,300.00 monthly. The \$100 or 8.33% total monthly increase still exceeds the allowable cap as outlined in the IRSO.

Use Type

Industrial; 3100

Year Built/Certificate of Occupancy(COO)

A Certificate of Occupancy could not be located for the property.

Previous Petitions/History

N/A

Staff Evaluation & Burden of Proof

According to Ordinance No. 2018-0045, DCBA has determined that the property 7622 Maie Avenue Los Angeles, California 90001 is covered under the Los Angeles County

Interim Rent Stabilization Ordinance and is subject to its conditions.

The IRSO covers residential dwellings on properties with two or more units in the unincorporated areas of Los Angeles County with initial certificates of occupancy or equivalent issued on or before February 1, 1995. **Ordinance No. 2018-0045 Section 1(A) and Section 1(B).**

The IRSO limits rent increases to 3% once per 12-month period and applies to any rent increase taking effect on or after September 11, 2018. **Ordinance No. 2018-0045 Section 3(A).**

The IRSO regulates Housing Service Adjustments and indicates that a decrease in Housing Services can be considered an increase in Rent. Rent and Housing Services are defined in Section 2 of the IRSO. **Ordinance No. 2018-0045 Section 3(C).**

The proposed increase in the amount of \$550.00 would increase the petitioner's rent from \$1,200.00 to \$1,750.00 or by 45.83%. The actual increase in the amount of \$100.00 increased the tenant's rent from \$1,200.00 to \$1,300.00 or by 8.33%. According to the ordinance, the tenant's maximum allowable rent would be \$1,236.00. The tenant states that he was advised to pay \$1,200 via check to the landlord and the remaining \$100.00 in cash for May 2019. The tenant states that the \$100.00 cash payment in May 2019 was not collected by the landlord. If RSQ19-01132 is approved, the landlord needs to credit the tenant for any overpayments above 3% that have occurred since the rent increase took effect – which would total \$320.00 for the months of February, March, April, May, and June 2019. **Ordinance No. 2018-0045 Section 3(A)(1).**

Lump Sum Credit Option

<i>June 1, 2019</i>	<i>\$320.00</i>
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Six Month Credit Option

<i>July 1, 2019</i>	<i>\$53.35</i>
<i>August 1, 2019</i>	<i>\$53.33</i>
<i>September 1, 2019</i>	<i>\$53.33</i>
<i>October 1, 2019</i>	<i>\$53.33</i>
<i>November 1, 2019</i>	<i>\$53.33</i>
<i>December 1, 2019</i>	<i>\$53.33</i>

Proof of Service/Notice of Hearing

The Petitioner, Marco Barrera, returned the Proof of Service form to DCBA on February 7, 2019. The DCBA sent the Notice of Hearing on March 7, 2019.

Public Comments

N/A

Fees/Deposits

N/A

Landlord Contact

On March 13, 2019, DCBA contacted the landlord at the contact information provided by the tenant to determine if the Notice of Hearing was received and to counsel the landlord on his rights under Ordinance No. 2018-0045. The individual stated that he was the landlord's representative and stated that he had not received the Notice of Hearing, but had already settled the rent increase dispute with the tenants. The landlord's representative also stated that they have high costs related to utilities and property taxes that they wanted to recover through rent and believed that rent stabilization had not implemented in the county. DCBA followed up via email and provided the landlord with a copy of the Notice of Hearing, ordinance, fact sheet, along with rights and responsibilities under the ordinance.

On March 26, 2019, DCBA contacted the landlord's representative regarding the continued hearing date. During that time, DCBA followed up with the landlord regarding the previous discussion on the IRSO. The landlord reported that the tenant had agreed to a rent payment above 3% due to having pets and additional cars parked at the property. The landlord was informed that all agreements must be in compliance with the IRSO and rent should not exceed \$1,236.00, as the landlord reported that the tenant agreed to pay \$1,300.00 monthly. The landlord was also offered a Petition for Relief from Moratorium and informed of possible fines/penalties for violating the IRSO. The DCBA followed up via email to the landlord and landlord's representative with this information, as well.

On April 17, 2019, DCBA contacted the landlord's representative regarding the continued hearing date. The landlord's representative stated that the tenant has agreed to pay \$1,300.00 and will reach out to the county to drop the Petition for Noncompliance. DCBA informed landlord's representative that tenant rent should not be above \$1,236.00 per the IRSO and agreements between the landlord and tenant should be in compliance with the IRSO. The landlord's representative stated that he would speak with the tenant and follow up with DCBA regarding this and disconnected the call. DCBA attempted return call the two times and was sent to voicemail.

On May 28, 2019, DCBA contacted the landlord's representative regarding the continued hearing date. The landlord's representative stated that the building burned down in the fire and requested that DCBA does not contact them any further.

DCBA has attempted contact since then with the Petitioner and a previous Petitioner on multiple dates who resides at the same property to confirm this information, but DCBA has been unable to confirm that a fire has occurred at the property as the calls have not been answered or returned.

Staff Recommendation

The following recommendation is made prior to the public hearing and is subject to change based upon testimony and/or documentary evidence presented at the public hearing:

Staff Report
RSQ19-01132

Staff recommends APPROVAL of the Interim Rent Stabilization Ordinance Petition for Noncompliance – Case Number RSQ19-01132.

SUGGESTED STATEMENT

I, THE HEARING OFFICER, CLOSE THE PUBLIC HEARING AND FIND THAT THE INTERIM RENT STABILIZATION ORDINANCE PETITION FOR NONCOMPLIANCE – CASE NUMBER RSQ19-01132 IS **APPROVED**, SUBJECT TO THE ATTACHED CONDITIONS.

Suggested Approval Statement

Prepared by Shannon Louis
Reviewed by Dana Pratt

Attachments

Notice of Increase

Initials JMN:DP: sl
(5/31/19)

BURDEN OF PROOF STATEMENT

DCBA Case # RSQ19-01132

Section IV: Reason for Petition (explain in detail why you are requesting a hearing)

yo marco no entiendo porque. Los dueños anteriores no dijeron nada ni se comunicaron igualmente con los nuevos dueños. Luego hoy día los nuevos dueños tienen nuevo contrato. Quieren más dinero ~~colectar~~ por eso. Vine a pedir ayuda. no se podía estar presionado. \$1750.00. Mas \$800.00 resto depositado

IS THIS MATTER URGENT?

☐ Yes ☐ No

REASON FOR URGENCY (must attach relevant documents in order to be considered):

Section V: Signature of Petitioner

Marco T. Barrera F.
Petitioner Name (Print)

Petitioner Title (Tenant, Landlord, Mobilehome Homeowner or Park Owner)

213.2605438
Petitioner Telephone Number

Marco T. Barrera F.
Signature

3-1-31
Date

Translation of the Petition Section IV: Reason for Petition

I Marco don't understand why the previous property owners did not say anything or communicated with the new owners.

At present time the new property owners have new contracts. They want more money for this reason I came here to ask for help. I can't stand to be pressured.

\$1,750.00 plus \$800 rest deposit [unclear].



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this Agreement and may subject Tenant to eviction. Tenant authorizes Landlord and any broker to obtain Tenant's credit report periodically during the tenancy in connection with the modification or enforcement of this Lease. Landlord reserves the right to terminate this Agreement (i) before occupancy begins, (ii) upon disapproval of the credit report(s), or (iii) at any time, upon discovering that information in Tenant's application is false.

53. Binding Effect. The provisions of this Agreement will be binding upon and inure to the benefit of parties and their respective legal representatives, successors and assigns.

Receipt

Initials

Tenant Landlord

Security Deposit: \$ 2,000 _____

Pet Deposit: \$ _____

Rent for the Period: \$ 1,750 2-1-19

Prepaid rent for the Period: \$ _____

Other Charges or Deposits: \$ _____

Total Charges Received: \$ 3,750 _____

NOTICE: This Agreement contains an automatic renewal clause.

IN WITNESS WHEREOF, the Landlord and Tenant have executed this Agreement in the manner prescribed by law as of the Effective Date.

Landlord: Melinda Zohrabian